THE MISSION OF THE POPULIST PARTY.

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THE Populist Party is an organized demand that the functions of government shall be exercised only for the mutual benefit of all the people. It asserts that government is useful only to the extent that it serves to advance the common weal. Believing that the public good is paramount to private interests, it protests against the delegation of sovereign powers to private agencies. Its motto is: "Equal rights to all; special privileges to none." Its creed is written in a single line of the Declaration of Independence—"All men are created equal." Devoted to the objects for which the constitution of the United States was adopted, it proposes to "form a more perfect union" by cultivating a national sentiment among the people; to "insure domestic tranquility" by securing to every man and woman what they earn; to "establish justice" by procuring an equitable distribution of the products and profits of labor; to "provide for the common defence" by interesting every citizen in the ownership of his home; to "promote the general welfare" by abolishing class legislation and limiting the government to its proper functions; and to "secure the blessings of liberty to ourselves and our posterity" by protecting the producing masses against the spoliation of speculators and usurers.

The Populist claims that the mission of his party is to emancipate labor. He believes that men are not only created equal, but that they are equally entitled to the use of natural resources in procuring means of subsistence and comfort. He believes that an equitable distribution of the products and profits of labor is essential to the highest form of civilization; that taxation should only be for public purposes, and that all moneys raised by taxes should go into the public treasury; that public needs should be

supplied by public agencies, and that the people should be served equally and alike.

The party believes in popular government. Its demands may be summarized fairly to be—

1. An exclusively national currency in amount amply sufficient for all the uses for which money is needed by the people, to consist of gold and silver coined on equal terms, and government paper, each and all legal tender in payment of debts of whatever nature or amount, receivable for taxes and all public dues.

2. That rates of interest for the use of money be reduced to the level of average net profits in productive industries.

3. That the means of public transportation be brought under public control, to the end that carriage shall not cost more than it is reasonably worth, and that charges may be made uniform.

4. That large private land-holdings be discouraged by law.

It is charged against Populists that they favor paternalism in government. This is an error. They only demand that public functions shall be exercised by public agents, and that sovereign powers shall not be delegated to private persons or corporations having only private interests to serve. They would popularize government to the end that it may accomplish the work for which it was established—to serve the people, all the people, not only a few.

If it be paternalism to require the government to look after any of the private interests of the people, why do we not drive from our grounds as a tramp the postman who delivers our mail? If it be paternalism to bring our transportation business under public control, why do we not repeal the inter-State commerce law and restore the carrying trade to private citizens from whose rapacity the people were partially released some years ago? If it be paternalism to establish government agencies to supply currency to the people, what means the national bank act whose title reads: "An act to provide a national currency secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof?"

All there is in the charge of paternalism lies in the fact that Populists believe that, as to these particular matters, the people would be served, more equitably and at greatly reduced expense, by public agents working on fixed salaries, than by private persons who use their business for private ends.

It will be observed that the party deals with live issues only, and they are those chiefly which relate to the use of natural resources of subsistence and to the distribution of property and property values. This is the only party that clearly expresses a well-defined position on the "money question." It states the kind of money the party wants—gold, silver and paper; it demands that the metals be coined freely, in unlimited quantities, at a ratio of 16 to 1; that the currency shall be issued by the general government only—not by banks—and that it shall be a full legal tender.

To the financial part of the platform it is objected—

1. That the volume of currency required in a given community or State is an unknown quantity, that too much is worse than too little, and that, therefore, it is always better to be within rather than without the proper limit.

2. That paper money cannot safely be issued except on a specie basis, and that the issue ought not to exceed three or four dollars to one dollar of the coin reserve.

3. That no more silver should be coined unless, through international agreement, the principal commercial nations agree to use silver coin at an agreed ratio to gold.

4. That gold is the only proper and safe money material, because its commercial value is always equal to its coin value, and therefore it is the "money of the world."

To the first objection the Populist answers that it is no more difficult to ascertain how much money is required by the people than it is to find out how much of any staple article they need. In normal conditions there is a normal demand for things, and the demand indicates the number, quantity or amount required. Our Treasury officials, in their annual reports, place stress on the need of a more "flexible" currency to meet increased demands which appear periodically—and especially when farmers' crops are to be moved. Bankers complain of scarcity of money at particular seasons. They discover the scarcity because of a demand which they are unable to supply. People make known their need of money in much the same way that they let their need of anything else be known—by asking for it, offering to buy or desiring to borrow or hire it. If it be suggested that the demand might be so great that to supply it would be to derange values, disturb business and bankrupt the people, it is answered that in

normal conditions men do not purchase more of anything than they need. Why should they buy more money than they need? If they did the excess would advantage them nothing; it would be utterly useless, as all idle money is useless. Populists do not demand an unlimited supply of currency, they ask only for enough; and as an indication of what, from their present information, they regard as a fair limit, they place the amount at not less than fifty dollars per capita, and that is less than we had once when we had none too much.

Answering the second objection, there is no need of an exclusively specie basis for money. That doctrine is a legacy of the dark ages; it had its origin in barbarism. The proper basis for money is property—property that the people produce and of which they have a surplus to exchange for other commodities, and this includes gold and silver.

Hon. John Davis, a distinguished Populist, thus defines certain essential prerequisites to a good currency:

> "First, there must be a regularly established government, as the issuing of money is an act of sovereignty. The said government must be in practical operation, collecting and disbursing revenues and performing the usual monetary functions of a civilized government. Then the money, when issued, must be receivable in the revenues of the issuing government, and it must possess the quality of legal tender. The quantity of the money issued must be in reasonable proportion to the revenues collected; and the material of the money must be fashioned and executed in the highest style of art, above the arts of the counterfeiters."

Value is indefinable, yet everybody understands its meaning. It is an ideal thing, though we all speak of it as if it were a definite quantity. Let a given number and quantity of surplus products of a community be collected and compared with respect to the amount of human labor expended in their production, and find some one article whose value alone, divided or multiplied, is a common divisor of the values of the rest, and you have a unit of value. To illustrate: Take, say, a bushel of wheat; divided into tenths, one-tenth will measure the value of one pound of cotton; divided into hundredths, one-hundredth will measure the value of one pound of salt; entire it will measure the value of a pig; multiplied by twenty-five, it will measure the value of a cow; multiplied by seventy-five it will measure the value of a horse; and so on as to the value of all other articles. Here we have a common measure of value—a bushel of wheat. What, then, let us inquire, is the value

of a bushel of wheat ? Why, what it will purchase of other articles in the open market. Of course there will be fluctuations in quantity produced from year to year, the demand will not always be the same, many circumstances will operate to vary prices; still, for common convenience we use a bushel of wheat for the common measure. But wheat, and especially a bushel of it, is an unwieldy thing to use in making exchanges, in paying debts and the like. Let us give a name to the value of a bushel of wheat—what we all understand the value to be, though we cannot define it—and then agree on some small, light, convenient article of manufacture to represent that value. Say we use the word dollar as a name or title to represent the value of the wheat measure, and let us make the representative out of silver or aluminum or paper, and use that for money in place of wheat. We use silver dollars now, and paper dollars, and the foregoing illustration explains their relation to other things. The intrinsic value of the two dollar pieces is not the same ; that is to say, the commercial value of the materials of which they are made is greater in one than in the other, but the money value of each is exactly the same. Value resides in the property dealt in, and not necessarily in the money pieces which pay for it. A paper dollar is quite as good to buy sugar with as a dollar made of gold or silver. Intrinsic value in money coins is a delusion. The doctrine of equivalents is impossible of application now. Whatever value money has the law gives it. Legal tender is a legal function imparted by the sovereign power of the people for their convenience in transacting their business.

But, if we should agree that a "specie basis" is necessary, our own experience proves that a much larger amount of paper than three to four dollars can be floated on one dollar of gold reserve. Our national bank circulation is now about $180,000,000. It is redeemable in United States notes, of which there is $346,000,000 out, and that is all redeemable in gold. Treasury notes issued in payment for silver bullion amounts to, say, $156,000,000, all payable in gold, so the department holds. These several sums, amounting to nearly $700,000,000, are all redeemable in gold, and we have only $100,000,000 provided for that purpose—one dollar in gold to float seven dollars in paper.

Answering the third objection, it is urged that silver is quite as good as gold for use in money coins, and that both metals

ought to be so used if one of them is, so as to divide between them the money work to be performed. The base will be more ample with both than with one, the average fluctuation in bullion values will be less, and a fair general level of prices of other commodities will be more easily maintained. We ought to coin both metals freely, or, if we discard one, then in order to prevent undue falling of prices by reason of the increasing value of the other, it will be better to discard that also, and resort to the use of some other suitable material of little value to make our money coins out of. The talk about maintaining parity between the values of metals, unless both are wholly monopolized by the government, is silly; but to maintain parity between the value of money coins is easily done if the law does not discriminate against any of them. We always maintained coin parity when we minted gold and silver on equal terms, and we have done so twenty years—since 1873—with a constantly increasing stock of silver, and with limited coinage. It is the law that maintains parity among values of money pieces, not the market price of the material of which they are made. Government cannot regulate prices of articles sold and bought in the open market; but it can regulate the value of money. It is true that when a marketable commodity of considerable value is used for money coins, traders, bankers, and speculators, by dealing in the commodity, may run prices up or down at their pleasure and thus derange values generally, create "corners," and force panics.

As matter of fact the people use very little coin. To ascertain the proportions of different kinds of money circulating, the Comptroller of the Currency procured statements from 3,364 national banks for the first day of July, 1890, and from 3,474 banks for September 17th of the same year; and from these reports it appeared that of the total receipts of $421,824,726 on the first day named, and $327,278,251 on the second day—a grand total of $748,102,977 for both days—the "cash" receipts were but 8.96 per cent., and 91.04 per cent. was in "checks, drafts, and other substitutes for money." Of the first day's receipts, .89 per cent. was in gold coin and .32 per cent. in silver coin—1.21 per cent. in both. Of the second day's receipts, 1.13 per cent. was in gold coin and .43 per cent. in silver coin—1.56 per cent. in both. If we use so little coin, why all this fuss about it? A busy, productive, prosperous people like ours can always get gold

for their wheat and cotton as long as people who want wheat and cotton have gold to pay for them.

Answering the fourth objection, the commercial value of gold bullion is largely dependent upon its value for coinage. The value of the gold coin now in the world is estimated at nearly $4,000,000,000, the accumulation of many centuries. Gold is practically indestructible. If this vast amount were demonetized and thrown on the market, its value, pound for pound, would fall quite as low as that of silver bullion now. But, aside from this consideration, there is not gold enough in the world nor in this country, nor in any other, to perform the necessary money functions only, at the expense of all other property values. There is gold enough if we are content with wheat at fifty cents a bushel and cotton at five cents a pound, with a constant lowering of the general level of prices; and that is what a permanent gold basis means.

The doctrine was well stated by the Royal Commission, in their "Bullion Report," eighty-three years ago: "The amount of gold in the world will suffice to perform the exchanges of the world. If these be more or less, it would only affect the average level of prices the world over."

The assessed valuation of the taxable property of the people of the United States is about $24,000,000,000, the estimated value being put at about two and one-half times that amount, or say $60,000,000,000. A large part of this, of course, represents real estate and other fixed property that does not often change hands, and therefore but little active money is required to handle it. But the value of our internal commerce has grown to an almost inconceivably large amount. In 1877 it was equal to twenty-five times the value of our total foreign commerce; and if the same rate of progress has continued to the present—and there is no reason to doubt that it has—our trade among ourselves is not less than $45,000,000,000. And this does not include any portion of the vast aggregate of local traffic among the people at their home market towns. Nor does it include banking business, nor that of insurance companies and loan agents. It is within reasonable bounds to say that the people of the United States now transact a business among themselves, which requires the constant use of ready money, equal to $100,000,000,000 annually. Yet the Treasury officials say that our total stock of money is but little

over $1,600,000,000, and nearly half of that is in Treasury and bank vaults, held as reserves—not in use at all. When we add to the amount of these reserves the moneys kept in the treasuries of State and municipal officers, and the errors in estimates of gold in the country, the free money—that which is always available for use in business—is found to be not in excees of $600,000,000, or less than $10 per capita; and at the late extraordinary session of Congress an annual increase of about $50,000,000 was cut off. Of the gold coin supposed to be in the country a reserve fund of $100,000,000 is kept in the United States Treasury, leaving but $400,000,000 to "perform the exchanges" of a great and growing people, doing a business among themselves amounting to $100,000,000,000, a sum two hundred and fifty times as large as our stock of available gold.

To say that, in the absence of coin, paper cannot be made good money is to deny our own experience. The people of the United States have been using little else than paper money during all of the last thirty-two years, though we have been on a gold basis, and no man has lost a dollar by its use. Our losses have come from its having been taken away from us, and funded in coin bonds, increasing our debts and depriving us in large measure of the means of payment. The depreciation of property values by a rapid withdrawal of government paper, from 1865 to 1869, cost the country more than the great war.

The Populist party is the only party that honestly favors good money. Democrats and Republicans alike declare their purpose to make all dollars equally good and to maintain the parity between them, and the recent act of Congress repealing the purchasing clause of the Sherman law contains a similar declaration; but when an amendment was proposed to the bill in the Senate to make good the platform promises by incorporating them in the law, there were not enough Senators in favor of it to secure a yea and nay vote on the amendment. We have seven different kinds of money, and only one of them is good, according to the determination of the Treasury officials. Bank notes are not legal tender, neither are silver certificates, nor gold certificates. Treasury notes are not legal tender in cases where another kind of money is expressed in the contract, and United States notes (greenbacks) will not pay either principal or interest on any government bond. None of our paper

money is taxable. Silver dollars are by law full legal tender in payment of debts to any amount whatever, but the Treasury does not pay them out on any obligation unless they are specially requested. In practice, we have but one full legal tender money—gold coin; and Republicans and Democrats are agreed on continuing that policy; while Populists demand gold, silver, and paper money, all equally full legal tender.

The fact that we have now out about $700,000,000 in paper is proof that our stock of coin is utterly inadequate to perform all the money duty required in the people's business transactions. The discontinuance of silver coinage stops the supply from that source. It is believed by men best informed on the subject that the gold used in the arts has reached an amount about equal to the annual output of the mines. Then the world's stock of gold coin will not be increased unless the arts are drawn upon, and that can be done successfully only at a price above the money value of the coin. Russia, Austria, Italy, and the United States all want more gold. Where is it to come from? And what will it cost the purchaser? Are we to drop back to Roman methods of procuring treasure? When all the nations set out on gold hunting expeditions, who will be the victor and what will become of the spoils?

It is evident that we must have more money, and Congress alone is authorized to prepare it. States are prohibited by the Constitution of the United States from making anything but gold and silver coin a legal tender in payment of debts, and nothing is money that is not a tender. The people can rely only on Congress for a safe circulating medium.

Populists demand not only a sufficiency of money, but a reduction of interest rates at least as low as the general level of the people's savings. They aver that with interest at present legal and actual rates, an increase in the volume of money in the country would be of little permanent benefit, for bankers and brokers would control its circulation, just as they do now. But with interest charges reduced to three or two per cent. the business of the money-lender would be no more profitable than that of the farmer—and why should it be?

It is strange that most people have not yet discovered the destroying power of interest. Let us take two examples—Massachusetts and the United States. In 1790 the taxable property

of Massachusetts was given at $44,024,349. If that amount—$44,000,000 in round numbers—had been put at interest then (1790) at six per cent., compounded annually, and continued to 1890—one hundred years—it would have amounted to $14,937,-461,615. The taxable property of Massachusetts in 1890 was valued at $2,154,134,626—a little more than one-seventh part of the amount which the State's value one hundred years before would have amounted to in the same length of time at six per cent. interest compounded annually. The property valuation of the United States in 1790 was estimated to be $619,977,247. If that sum had then been put at interest at six per cent. and continued to 1890—one hundred years—compounded annually, it would have amounted to $210,358,279.907. The estimated value of our property in 1890 was about $60,000,000,000, but little more than one-fourth of what our value one hundred years before would have amounted to at six per cent. interest for the same time, compounded annually. It appears that a six per cent. rate of interest would have accumulated in one hundred years $12,783,326,989, more than the people of Massachusetts, with all their advantages, were able to save during the same time out of their combined labor and its profits. It further appears that the same rate of interest would have accumulated $150,000,000,000 more in one hundred years than the people of the United States, with all their acquisitions of new territory, were able to save out of their labor and its profits in the same time. We have been paying six to twelve per cent. annual interest—often much higher—when we have not saved out of our combined earnings as much as four per cent. This explains how the wealth of the country is being so rapidly transferred from the people who produced it to those who did not. It is passing through the interest channel. The rate of interest ought to be regulated by the general level of net profits in productive industry and kept at a figure which men engaged in usual vocations can afford to pay, return the principal, and save the property purchased with the money hired. To illustrate: John engages to buy a farm, and borrows money to pay for it, or purchases on time, which is the same thing. The rate of interest ought to be what, with prudent management through a reasonable number of average seasons, he can pay yearly, with part of the principal, until he has paid out and has the farm left.

Three per cent. compounded annually is a fair average the

world over for labor's saving. It has been a little more in the United States, but a gold basis will soon bring us to the general level, and that will settle lower as population and trade increase.

While the Populist party favors government ownership and control of railroads, it wisely leaves for future consideration the means by which such ownership and control can best be brought about. The conditions which seem to make necessary such a change in our transportation system preclude all probability of its ever being practicable, if it were desirable, to purchase existing railway lines. The total capitalization of railroads in the United States in 1890 was put at $9,871,378,389—nearly ten thousand million dollars. It would be putting the figures high to say that the roads are worth one-half the amount of their capital stock. This leaves a fictitious value of $5,000,000,000 which the people must maintain for the roads by transportation charges twice as high as they would be if the capitalization were only half as much. It is the excessive capitalization which the people have to maintain that they complain about. It would be an unbusinesslike proceeding for the people to purchase roads when they could build better ones just where and when they are needed for less than half the money that would be required to clear these companies' books. It is conceded that none of the highly capitalized railroad corporations expect to pay their debts. If they can keep even on interest account, they do well, and that is all they are trying to do. While charges have been greatly reduced, they are still based on capitalization, and courts have held that the companies are entitled to reasonable profits on their investment. The people have but one safe remedy—to construct their own roads as needed, and then they will "own and control" them.

This is not a new doctrine. A select committee of the Senate of the United States, at the head of which was Hon. William Windom, then a Senator and afterward Secretary of the Treasury appointed in December, 1872, reported among other recommendations one proposing the construction of a "government freight railway," for the purpose of effectively regulating interstate commerce. A government freight railway would have no capitalization, no debt, bonded or otherwise; its charges would be only what it would cost to handle the traffic and keep the road in repair. That would reduce cost of carriage to a minimum, and nothing else will.

Populists complain of legislation in the interest of favored classes. At the very time when the homestead law was passed a scheme was hatching to absorb the public lands by railway corporations. Scarcely had the great war begun when a plan was laid to establish a system of national banking based on the people's debts ; and while customs duties were raised to increase the public revenues, cheap foreign labor was brought in under contract to man the factories. Banks have been specially favored. When it was to their interest to withdraw their notes it was done with impunity. They have been permitted to openly violate the law which authorizes their existence, and this without rebuke. The United States Senate shields them from exposure. When the Treasury was flush, public moneys were lavishly left with the banks to use without interest, and when the great banks in New York city needed funds to relieve the stringency in the "money market" there, they had only to ask and they received. And now that the Treasury is running short in gold reserves, there is a demand for more bonds to purchase more gold to be used in redeeming Treasury notes which the law requires to be redeemed in silver, thus again reducing the reserves, making another bond issue necessary to procure more gold ; and so on, as the "money market" may require. These "Napoleons of Finance" are playing a bold game.

Since 1879, a period of fourteen years, the banks have had free use of an annual average of $18,000,000 of the public moneys. This they have used to lend to their patrons at an average rate not less than ten per cent., while at the same time drawing four per cent. or four and one-half per cent. from the Government on bonds deposited as security for the money left with them, as the following statement shows :

STATEMENT SHOWING AMOUNT OF THE BALANCE OF PUBLIC MONEYS HELD BY THE NATIONAL BANK DEPOSITORIES AT THE CLOSE OF BUSINESS JUNE 30 OF EACH YEAR SINCE AND INCLUDING 1879 IS AS FOLLOWS:

1879	$7,183,403.42	1887	$19,190,076.79
1880	7,999,953.86	1888	54,913,489.74
1881	8,933,550.79	1889	43,305,511.91
1882	9,610,432.86	1890	26,994,464.70
1883	10,030,698.33	1891	22,900,329.65
1884	10,716,144.17	1892	12,559,446.61
1885	10,985,141.34	1893	12,393,071.11
1886	14,036,632.18		

No amount of interest has been paid by national bank depositories for the use of the public moneys deposited therewith.

If farmers had asked for the use of that money and offered

their farms as security for repayment, they would have learned that the law was not made for their benefit.

Since 1880, premium has been paid on Government bonds by the Treasury Department amounting in the aggregate to $60,125,-218.98, as the following statement shows :

STATEMENT SHOWING AMOUNT OF PREMIUM PAID ON GOVERNMENT BONDS SINCE AND INCLUDING THE YEAR 1880.

Year.	Amount.	Year.	Amount.
1880	$2,795,320.42	1890	$20,304,224.06
1881	1,061,248.78	1891	10 401,220.61
1888	8,270,842.46		
1889	17,292,362.65	Total	$60,125,218.98

Nearly all that gratuity to bondholders was bestowed during years of great depression and hardship among other classes of people.

The Treasury has been in the habit of advancing interest on bonds six months to nine months before it was due. This was done ostensibly in the public interest, but the bondholder was the only person that profited by the transaction. The following statement shows how much of the people's money went that way since 1880.

STATEMENT SHOWING AMOUNT OF MONEY ADVANCED BY THE TREASURY FOR INTEREST NOT DUE ON GOVERNMENT BONDS SINCE AND INCLUDING THE YEAR 1881.

Year.	Amount.	Year.	Amount.
1881	$3,091,947.07	1887	$8,735,743.23
1882	11,166,900.21	1888	15,904 117.50
1883	3,93[illegible],726.00	1891	13,229.726.50
1884	220,969.62	1892	5,361,086 80
From July 1, 1893, to Oct. 1, 1893			5,003,666 15
Total			$66,697,883.08

The use of $66,000,000 for six months at the rate of five per cent. per annum is $3,300,000—money enough to pay the wages of a thousand workingmen a year at present rates.

Rapid accumulation of wealth by a few citizens, as we have seen it in the United States during the last thirty years, is evidence of morbidly abnormal conditions. It is inconsistent with free institutions. It is breeding anarchy and trouble. No man can honestly take to himself what he does not earn ; and if he does no more than that, riches will come to him slowly. It is only when he gets what he does not earn that his "success" attracts attention. Fortunes running into millions of dollars must be made up of property and profits mostly produced and earned by persons other than those who claim them.

No man ever earned a million dollars. If he was moved to

great undertakings, nature's God inspired him. And if, in the play of his ambition he marshalled effective forces, his equipment cost him little. To a great mind success is compensation. The value of its labor cannot be measured with money. A strong man's intellect moves as easily as a blacksmith's arm. Both are gifts.

The best men are content with little. Vast enterprises which move the world are maintained by contributions from the labor of the poor. Leaders do but organize and direct; the rank and file do all the rest. Apply the "iron law of wages" equally to all that work and you scale down the salaries of many useless people. If the Republic is to endure we must encourage the average man.

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